



## **Dairy Market Loss Assistance Program (DMLA)**

### **Background**

The Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1999, provides that \$200 million is available to provide assistance to dairy farmers. On March 8, 1999, Agriculture Secretary Dan Glickman announced that the Department of Agriculture (USDA) will make \$200 million in direct cash payments to dairy producers facing greatly reduced milk prices.

### **Who is Eligible for Payments?**

Producers qualify for the direct cash payments if their dairy operation marketed milk commercially in the United States anytime during the fourth quarter of 1998 (October 1, 1998 through December 31, 1998).

### **How Much Will Producers Be Paid?**

Eligible dairy producers may receive a direct payment per hundredweight (cwt) on the first 26,000 cwt for milk marketed commercially from the dairy operation during the 1997 or 1998 calendar year. Each dairy operation has a choice of using 1997 or 1998 calendar year milk marketings for the base period. Producers who operate a joint dairy operation will receive a payment based on their share of the first 26,000 cwt marketed from the dairy operation. The

actual payment rate will be determined after signup and will be calculated by dividing the amount available by the total eligible cwt of milk from all approved dairy operations.

### **When is the Application Period for DMLA?**

The application period for DMLA begins on **April 12, 1999**, and ends on **May 21, 1999**.

### **What Must Producers Do to Sign Up for Payment?**

Persons representing dairy operations that were marketing milk during the fourth quarter of 1998 may apply for DMLA through USDA's Farm Service Agency (FSA) local offices. During this signup period, producers will be required to apply for the program at their local FSA office.

### **What Records Will Producers Need to Apply?**

Producers will be required to certify that the dairy operation was marketing milk during the fourth quarter of 1998. FSA will have an application form that producers will fill out when they sign up for the program. It is expected that the form will require producers to include: (1) the name of the dairy operation and a list of persons involved in it, and (2) the 1997 or 1998 calendar year milk marketings of the dairy operation.

The form is also expected to include: (1) a statement affirming that the dairy operation marketed milk during the fourth quarter of 1998, and (2) a statement affirming that the producer is aware that USDA will be conducting spot checks. For those dairy operations selected for a spot check, responsible producers must provide additional information as requested.

Any producer who receives a payment for the dairy operation based on erroneous information will be required to repay USDA. Also, any producer who receives a payment based on a fraudulent application will be required to repay USDA and may face criminal prosecution.

### **What Kind of Information Will Be Required?**

Responsible producers must provide milk marketing statements to support: (1) 1997 or 1998 calendar year milk marketings indicated on the application as the base period, (2) fourth quarter of 1998 milk marketings of the dairy operation, (3) milk marketings from all persons involved in the dairy operation, (4) the name of the milk handler, (5) name of the dairy operation, and (6) date of when milk was commercially marketed.

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***When Will Payments Be Made?***

Payments will be made about 2 to 3 weeks after the end of the signup period.

***How Can I Get Further Information?***

Program details will be published in the Federal Register in the near future. Local FSA offices are the best source for producers seeking additional information once the regulations have been published.

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